VZCZCXRO0602 OO RUEHCHI RUEHFK RUEHHM RUEHKSO RUEHPB DE RUEHKO #6249/01 2991034 ZNY CCCCC ZZH O 261034Z OCT 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 7830 INFO RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION PRIORITY RHMFISS/COMUSJAPAN YOKOTA AB JA PRIORITY RHMFISS/DISA WASHINGTON DC PRIORITY RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY RUEATRS/TREASURY DEPT WASHDC PRIORITY RHEHAAA/NSC WASHDC PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHEHAAA/WHITE HOUSE WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 006249

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TAGS: PREL ECON ETRD EAID JA VN
SUBJECT: VIETNAM'S PM VISITS JAPAN; ISSUES JOINT STATEMENT
WITH ABE

Classified By: AMBASSADOR J. THOMAS SCHIEFFER. REASONS 1.4 (B)(D).

- 11. (SBU) Vietnam's Prime Minister concluded a positive four-day visit to Japan on October 22, drawing favorable reviews in the press for the growing relationship between the two countries. DPRK sanctions and UN reform were also on the agenda. Prime Minister Dzung stressed his strong opposition to the DPRK nuclear test and agreed to cooperate with Japan on implementation of UN sanctions and the abduction issue. This first official visit by a foreign leader to Japan during the Abe Administration was well-planned and carefully scripted; however, it did not draw a great deal of attention outside of government and business circles with an interest in Vietnam.
- 12. (U) Prime Minister of Vietnam, Nguyen Tan Dzung, visited Japan from October 19-22, becoming the first foreign leader to visit Japan during Prime Minister Shinzo Abe's tenure. PM Dzung's schedule included meetings with Abe, Foreign Minister Aso, and parliamentarians, a call on the Emperor and Empress, a speech before the Diet, an official dinner, an Embassy reception, and a trip to the Kansai region to meet with local government and business leaders. The primary purpose of the visit was to strengthen economic ties and cooperation between the two countries.
- 13. (C) In a joint statement issued on October 19, the two leaders highlighted continued dialogue, increased economic assistance, closer economic relations, S&T cooperation, mutual understanding, and international cooperation on regional and global issues. This was the first high-level joint statement by the two countries, according to MOFA Principal Deputy Director for Southeast Asian Affairs Atsushi Kuwabara, and required nearly one month of preparation, although there were no specific showstoppers along the way. One unusual and slightly problematic request had been Vietnam's insistence on the inclusion of specific construction projects for Japanese investment, which Kuwabara attributed to the fact that these were Prime Minister Dzung's own pet projects. An important area for Japan to include was cooperation on peaceful uses of nuclear energy, he added.
- ¶4. (C) Among several "firsts" that Kuwabara cited in the joint statement was Japan's public statement supporting Vietnam's accession as a nonpermanent member of the UN Security Council for the 2008-2009 term. Vietnam reconfirmed its support for a permanent seat for Japan. Vietnam voiced strong opposition to the recent DPRK nuclear test and promised to cooperate with Japan on implementing UN sanctions. Vietnam also declared its support for Japan in

dealing with the DPRK on humanitarian issues, including abductions. Kuwabara pointed out that it was difficult for Vietnam to take such a strong position against long-time ally North Korea, especially given Vietnam's own sensitivity to human rights concerns.

- 15. (C) Prime Minister Abe and Prime Minister Dzung committed to conducting an official bilateral meeting at APEC in November, obviating the need for a reciprocal visit by Abe to Vietnam in the near future. There was no particular significance to the timing of the Dzung visit, according to Kuwabara. Vietnam was obviously an important country for Japan, especially in mainland Southeast Asia, where Laos, Cambodia, and Burma did not provide Vietnam with a lot of competition, but Thailand was still seen as much more of a regional hub. From Vietnam's perspective, he surmised, it was important to cultivate relations with a large investor and aid donor like Japan, but Vietnam seemed to be walking a fine line between Japan and China, sending the Communist Party chief to Beijing in late August and the Prime Minister to Japan now.
- 16. (SBU) The joint statement announced plans to begin negotiations on an "economic partnership agreement" (EPA) in January 2007. Japan's investment in and trade with Vietnam have been growing, noted Kuwabara, and the joint statement put forward the goal of nearly doubling bilateral trade from 8.5 billion USD in 2005 to 15 billion USD by the year 2010. An investment seminar in Tokyo and meetings with the business community in Osaka were expected to contribute to that growth. The two sides also recognized the growing importance of intellectual property protection, and called for greater cooperation on IPR in order to attract investment and

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stimulate market growth. Vietnam recognized Japan as Vietnam's largest aid donor and Japan reiterated support for Vietnam's WTO accession.

17. (SBU) Prime Minister Dzung spoke at the Diet on October 19, an honor accorded to only one or two foreign leaders each year, according to Mr. Kuwabara. The primary movers behind the speech were former ruling Liberal Democratic Party Secretary General Tsutomu Takebe, who had visited Vietnam

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earlier this year, and other parliamentarians from the Diet's Japan-Vietnam Friendship Association. The speech focused on the growing relationship between Japan and Vietnam, but also touched on the DPRK nuclear test and other regional issues.

18. (C) Comment. The optics of Prime Minister Dzung's trip to Japan were good, although the visit seems to have drawn a yawn even from some Japanese with an interest in the relationship. The Vietnamese Embassy-hosted reception was somewhat sparsely attended, and there was a noticeable lack of VIPs from the Japanese side, although Chief Cabinet Secretary Shiozaki put in a brief appearance. One Japanese

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guest told Poloff "this visit was supposed to be a big deal, until Secretary Rice decided to come."

19. (C) Comment. Although most likely regarded by the Japanese as a way to improve the investment environment in Vietnam for Japanese business, the EPA with Vietnam, if successful, would mark Japan's first agreement with a transitional economy, thus establishing a conceptual framework for possible negotiations with China in the future. SCHIEFFER